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PROPOSED ATTORNEYS FOR DEBTORS

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
ERG Intermediate Holdings, LLC	§	
	§	Case No.:
Debtor.	§	

In re:	§	Chapter 11
	§	
ERG Interests, LLC	§	
	§	Case No.:
Debtor.	§	

In re:	§	Chapter 11
	§	
ERG Operating Company, LLC,	§	
	§	Case No.:
Debtor.	§	

In re:	§	Chapter 11
	§	
ERG Resources, L.L.C.,	§	
	§	Case No.:
Debtor.	§	

In re:	§	Chapter 11
	§	
West Cat Canyon, L.L.C.,	§	
	§	Case No.:
Debtor.	§	

**MOTION OF THE DEBTORS FOR AN ORDER DIRECTING THE JOINT ADMINISTRATION OF THEIR CHAPTER 11 CASES AND (II) WAIVING CERTAIN REQUIREMENTS OF 11 U.S.C. § 342(c)(1) AND FED. R. BANKR. P. 1005 AND 2002(n)**

The above-captioned debtors (collectively, the "Debtors") hereby move the Court (the "Motion") for the entry of an order pursuant to section 342(c)(1) of title 11 of the United States Code (the "Bankruptcy Code"), Rules 1005, 1015(b) and 2002(n) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Northern District of Texas (the "Local Rules") (i) directing the joint administration of the Debtors' chapter 11 cases and the consolidation thereof for procedural purposes only and (ii) waiving certain information requirements for the captions and certain notices in these chapter 11 cases. In support of this Motion, the Debtors incorporate the statements contained in the Declaration of R. Kelly Plato in Support of First-Day Pleadings (the "First Day Declaration") filed contemporaneously herewith and further respectfully state as follows:

**Background**

1. On the date hereof (the "Petition Date"), each of the Debtors commenced a case under chapter 11 of the Bankruptcy Code.<sup>1</sup>

2. Debtor ERG Resources, L.L.C. ("ERG Resources") is a privately owned oil & gas producer that was formed in 1996. As further described below, ERG Resources (a) directly operates certain oil & gas properties in Texas and (b) operates certain oil & gas

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<sup>1</sup> This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue for this matter is proper in this district pursuant to 28 U.S.C. § 1409.

properties in California through its wholly owned subsidiary, ERG Operating Company, LLC ("ERG Operating Co."). The Debtors' corporate headquarters is located in Houston, Texas.

3. Since 2010, ERG Resources and ERG Operating Co. have been primarily engaged in the exploration and production of crude oil and natural gas in the Cat Canyon Field in Santa Barbara County, California. ERG Resources owns approximately 19,027 gross acres (18,794 net acres) of leasehold in the Cat Canyon Field which it has acquired through a series of transactions since 2010.

4. ERG Resources currently owns an average working interest of approximately ninety-seven percent (97%) and an average net revenue interest of approximately seventy-eight percent (78%) in these leases. ERG Interests, LLC, another wholly owned subsidiary of ERG Resources, currently owns a seven percent (7%) overriding royalty interest in the oil & gas leases owned by ERG Resources in the Cat Canyon Field. There is a single purchaser for all of the oil & gas production generated in the Cat Canyon Field.

5. ERG Resources also owns and operates oil & gas leases representing approximately 683 gross acres (680 net acres) of leasehold located in Liberty County, Texas. There are currently two (2) purchasers of the oil and gas produced from the Liberty County, Texas properties.

### **Relief Requested**

6. The Debtors request that this Court: (i) allow the joint administration of the Debtors' chapter 11 cases, (ii) direct parties in interest to use a consolidated caption, indicating that any pleading they file relates to the jointly administered bankruptcy cases of "ERG Intermediate Holdings, LLC, *et al.*" and (iii) waive the requirements that the captions and

certain notices in these chapter 11 cases list the Debtors' employer identification numbers and any names used by the Debtors in the past eight (8) years. A proposed consolidated caption for all notices, applications, motions and other pleadings (the "Proposed Caption") is annexed as Exhibit 1 to the proposed order approving this Motion. The Debtors also request that the Court find that the Proposed Caption satisfies the requirements of section 342(c)(1) of the Bankruptcy Code in all respects.

**Legal Basis for Relief Requested**

7. Bankruptcy Rule 1015(b) provides, in relevant part, "[i]f a joint petition or two or more petitions are pending in the same court by or against . . . a debtor and an affiliate, the court may order a joint administration of the estates."

8. The Debtors, consisting of a parent limited liability company and four direct and indirect subsidiaries, each of which is at least majority-owned, are "affiliates," as that term is defined in section 101(2) of the Bankruptcy Code. Accordingly, this Court is authorized to grant the relief requested.

9. The joint administration of the Debtors' chapter 11 cases will permit the Clerk of the Court to utilize a single general docket for these cases and combine notices to creditors of the Debtors' respective estates and other parties in interest. Joint administration of the Debtors' cases will have a number of benefits, including elimination of the need for duplicative notices, applications and orders, thereby allowing the Debtors to avoid the time and expense that otherwise would be required to separately administer each individual case. The rights of creditors will not be affected adversely because this Motion requests only administrative, and not substantive, consolidation of the Debtors' estates. In fact, creditors will

benefit from the reduced costs that will result from the joint administration of these cases. The Court also will be relieved of the burden of entering duplicative orders and maintaining redundant files in numerous cases.

10. Section 342(c)(1) of the Bankruptcy Code provides that "[i]f notice is required to be given by the debtor to a creditor . . . such notice shall contain the name, address, and last 4 digits of the taxpayer identification number of the debtor." In addition, Bankruptcy Rule 2002(n), which incorporates Bankruptcy Rule 1005, requires that notices under Bankruptcy Rule 2002 contain certain information, including any applicable employer identification number and any names used by the Debtors in the previous eight years.

11. The Debtors submit that the use of the Proposed Caption without the full employer identification numbers and names used by the Debtors in the past eight years will ensure a uniformity of pleading identification. All pleadings filed and each notice mailed by the Debtors will include a footnote listing all the Debtors, their addresses and the last four digits of their tax identification numbers. Moreover, each Debtor's employer identification number and any prior names used in the past eight years will be listed in each Debtor's respective petition, and such petitions are publicly available to all parties-in-interest, including on a website to be maintained by the Debtors' proposed claims and noticing agent,<sup>2</sup> and will be provided by the Debtors upon request. Therefore, the Debtors submit that the policies behind the requirements of section 342(c)(1) of the Bankruptcy Code and Bankruptcy Rule 2002(n) will have been satisfied.

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<sup>2</sup> The website for the proposed claims and noticing agent is <http://dm.epiq11.com/erg>.

12. The Debtors further request that a docket entry be made on the docket in the chapter 11 cases of ERG Resources, L.L.C.; West Cat Canyon, L.L.C.; ERG Interests, LLC; and ERG Operating Company, LLC substantially as follows:

An order has been entered in this case directing the procedural consolidation and joint administration of the chapter 11 cases of ERG Intermediate Holdings, LLC; ERG Resources, L.L.C.; West Cat Canyon, L.L.C.; ERG Interests, LLC; and ERG Operating Company, LLC. The docket of ERG Intermediate Holdings, LLC, Case No. 15-\_\_\_\_\_ (\_\_\_\_), should be consulted for all matters affecting this case.

13. The Debtors submit that no party will be prejudiced by the relief requested in the Motion, as the relief sought herein is solely procedural and is not intended to affect substantive rights. An order of joint administration relates to the routine administration of a case and may be entered by the court in its discretion. Indeed, the relief requested herein is similar to that commonly granted in this District. See, e.g., In re CrossFoot Energy, LLC, Case No. 14-44668, Docket No. 20 (Bankr. N.D. Tex. Nov. 25, 2014); In re ALCO Stores, Inc., Case No. 14-34941, Docket No. 58 (Bankr. N.D. Tex. Oct. 16, 2014); In re Reddy Ice Holdings, Inc., Case No. 12-32349, Docket No. 56 (Bankr. N.D. Tex. Apr. 13, 2012).

#### **Notice**

14. Notice of this Motion has been given to: (i) the Office of the United States Trustee for the Northern District of Texas; (ii) the Debtors' twenty (20) largest unsecured creditors on a consolidated basis, as identified in their chapter 11 petitions; and (iii) counsel to the agents for the Debtors' prepetition and proposed postpetition secured lenders. In light of the nature of the relief requested, the Debtors submit that no further notice is necessary.

WHEREFORE, the Debtors respectfully request that the Court enter an order substantially in the form attached hereto as Exhibit A: (i) granting the relief sought herein; and (ii) granting to the Debtors such other and further relief as the Court may deem proper.

Dated: April 30, 2015  
Dallas, Texas

Respectfully submitted,

/s/ Tom A. Howley

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PROPOSED ATTORNEYS FOR DEBTORS

**EXHIBIT A**

Proposed Order



**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
ERG Intermediate Holdings, LLC	§	
	§	Case No.:
Debtor.	§	

In re:	§	Chapter 11
	§	
ERG Interests, LLC	§	
	§	Case No.:
Debtor.	§	

In re:	§	Chapter 11
	§	
ERG Operating Company, LLC,	§	
	§	Case No.:
Debtor.	§	

In re: § Chapter 11  
ERG Resources, L.L.C., §  
Debtor. § Case No.:  
§

In re: § Chapter 11  
West Cat Canyon, L.L.C., §  
Debtor. § Case No.:  
§

**ORDER (I) DIRECTING THE JOINT  
ADMINISTRATION OF CHAPTER 11 CASES AND (II) WAIVING CERTAIN  
REQUIREMENTS OF 11 U.S.C. § 342(c)(1) AND FED. R. BANKR. P. 1005 AND 2002(n)**

This matter coming before the Court on the Motion of the Debtors (I) for an Order Directing the Joint Administration of Their Chapter 11 Cases and (II) Waiving Certain Requirements of 11 U.S.C. § 342(c)(1) and Fed. R. Bankr. P. 1005 and 2002(n) (the "Motion"),<sup>1</sup> filed by the above-captioned debtors (collectively, the "Debtors"); the Court having reviewed the Motion and the First Day Declaration; the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue is proper in this district pursuant to 28 U.S.C. § 1409 and (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

2. The above-captioned chapter 11 cases shall be consolidated for procedural purposes only and shall be administered jointly. Nothing contained in the Motion or this Order shall be deemed or construed as directing or otherwise effectuating a substantive consolidation of the above-captioned chapter 11 cases.

3. Parties in interest are directed to use the Proposed Caption annexed hereto as Exhibit 1 when filing pleadings with the Court in the chapter 11 cases of the Debtors indicating that the pleading relates to the jointly administered chapter 11 cases of "ERG Intermediate Holdings, LLC., *et al.*"

4. The Clerk of the Court shall maintain one file and one docket for all of these jointly administered cases, which file and docket for each respective chapter 11 case shall be the file and docket for ERG Intermediate Holdings, LLC (the "Parent Case"), Case No. 15-\_\_\_\_ (\_\_\_\_).

5. A docket entry shall be made on the docket in each of the above-captioned cases (other than the Parent Case) substantially as follows:

An order has been entered in this case directing the procedural consolidation and joint administration of the chapter 11 cases of ERG Intermediate Holdings, LLC; ERG Resources, L.L.C.; West Cat Canyon, L.L.C.; ERG Interests, LLC; and ERG Operating Company, LLC. The docket of ERG Intermediate Holdings, LLC, Case No. 15-\_\_\_\_ (\_\_\_\_), should be consulted for all matters affecting this case.

###END OF ORDER###

Submitted by:

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PROPOSED ATTORNEYS FOR DEBTORS

**EXHIBIT 1**

Proposed Caption

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
ERG Intermediate Holdings, LLC, <i>et al.</i> , <sup>1</sup>	§	Joint Administration Pending
	§	
Debtors.	§	Case No.:

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are ERG Intermediate Holdings, LLC (2521); ERG Resources, L.L.C. (0408); West Cat Canyon, L.L.C. (7377); ERG Interests, LLC (2081); and ERG Operating Company, LLC (7946). ERG Intermediate Holdings, LLC is the direct or indirect parent of each of its affiliated Debtors. The mailing address for each of the Debtors, with the exception of ERG Operating Company, LLC, is 333 Clay Street Suite 4400, Houston, TX 77002. The mailing address for ERG Operating Company, LLC is 4900 California Avenue Suite 300B, Bakersfield, CA 93309. The above addresses are listed solely for the purposes of notices and communications.